

**The Internal Revenue Service Should Closely  
Monitor the Small Purchase Card Program to  
Ensure Compliance With Established Rules  
and Regulations**

**April 2003**

**Reference Number: 2003-10-099**

**This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.**



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

INSPECTOR GENERAL  
for TAX  
ADMINISTRATION

April 25, 2003

MEMORANDUM FOR CHIEF, AGENCY-WIDE SHARED SERVICES

*Gordon C. Milbourn III*

FROM: Gordon C. Milbourn III  
Acting Deputy Inspector General for Audit

SUBJECT: Final Audit Report - The Internal Revenue Service Should  
Closely Monitor the Small Purchase Card Program to Ensure  
Compliance With Established Rules and Regulations  
(Audit #200210019)

This report presents the results of our review of the Internal Revenue Service's (IRS) Small Purchase Card Program. The overall objective of this review was to screen IRS purchase card transactions using potential fraud/misuse indicators to identify questionable purchases.

The review of the purchase card program was conducted as a joint initiative between the Treasury Inspector General for Tax Administration's Office of Audit and Office of Investigations (OI). The Senate Finance Committee raised concerns regarding the adequacy of Federal Government agencies' controls to ensure honest use of Federal Government credit cards. The Senate Finance Committee specifically raised concerns regarding reports of the Federal Government paying for personal expenses of employees. Additionally, recent General Accounting Office reviews have called attention to control weaknesses in the Federal Government purchase card program.

In summary, we identified a small percentage of purchase card transactions that we provided to the OI for further review. Additionally, as a result of our screening of the purchase card data, we identified transactions in which items were purchased from the IRS' Restricted Purchase List and transactions that appeared to be split purchases designed to circumvent delegated procurement levels.

We recommended that the Office of Customer Support, Credit Card Services Branch, periodically analyze the purchase card data to determine if items from the Restricted Purchase List are being purchased and refer any unauthorized purchases to the appropriate manager for additional actions and recovery of funds, where applicable. Also, the Office of Customer Support, Credit Card Services Branch, should reiterate the policies and procedures regarding split purchases. Additionally, the Office of Customer

Support, Credit Card Services Branch, should periodically analyze transactions to identify potential split purchases and refer any instances to the appropriate manager for additional actions when necessary.

Management's Response: IRS management agreed with the recommendations presented in our report and has taken corrective actions. Specifically, the IRS has taken many actions to control and reduce purchase card misuse including issuing guidelines on inappropriate use of the purchase card, holding a Credit Card Coordinators Conference to address purchase card issues, providing training to approving officials and credit card coordinators, developing a Merchant Code Category template to control the types of items purchased, and conducting purchase card reviews which will focus, in part, on split procurements and how to identify them. Management's complete response to the draft report is included as Appendix VI.

Copies of this report are also being sent to the IRS managers who are affected by the report recommendations. Please contact me at (202) 622-6510 if you have questions or Daniel R. Devlin, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.

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Card Program to Ensure Compliance With Established Rules and Regulations**

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## **The Internal Revenue Service Should Closely Monitor the Small Purchase Card Program to Ensure Compliance With Established Rules and Regulations**

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### **Background**

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Federal Government purchase cards are an element of the General Services Administration (GSA) SmartPay Program. As a participant in the GSA SmartPay Program, the Department of the Treasury selected CitiBank MasterCard as the purchase card for all Treasury bureaus, including the Internal Revenue Service (IRS). The CitiBank MasterCard Program became effective November 30, 1998. The GSA SmartPay contract with CitiBank expires November 29, 2003.

The purchase card allows for a streamlined acquisition process that saves time and administrative costs by eliminating direct involvement by procurement personnel. It allows non-procurement employees to make official purchases within predetermined limits. The Federal Acquisition Regulation (FAR)<sup>1</sup> stipulates that the purchase card is the preferred method for making and paying for micro-purchases. A micro-purchase is any purchase of goods and services up to \$2,500 (\$2,000 for construction/alteration costs).

The purchase card is for official use only. Purchases must be approved and funded in advance. The card may be used for over-the-counter, telephone, and internet purchases; as a stand-alone procurement instrument; or to place orders against established contracts and agreements if the terms authorize the use of the card. Use of the card does not relieve the cardholder from any requirements of the FAR or Department of the Treasury and IRS regulations.

The IRS gave the Credit Card Services Branch responsibility for the IRS purchase card program in January 2001. At that time, the program was geographically based, not centrally located as it is now. To ensure the proper control and accountability over the program, the Credit Card Services Branch reorganized the purchase card program and placed the approximately 10,000 cards under 3,300 approving officials in 13 business organizations. Additionally, the IRS established several controls over the program to prevent fraud, waste, and abuse of the purchase card. These controls include the following:

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<sup>1</sup> Federal Acquisition Regulation, 48 C.F.R. parts 1-53 (2002).

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- A purchase card guide is available to all employees involved in the program. The guide summarizes IRS policies and procedures related to the purchase card program and outlines the proper use of the card.
- All cardholders are required to complete training before being eligible to receive a purchase card. The training explains the proper use of the card and the policies and procedures of the program.
- All approving officials need to complete the required training before being designated as an approving official.
- Each cardholder has usage limits attached to his or her purchase card. These usage limits are: (1) dollar limitation per single transaction, (2) dollar limitation per cardholder cycle, (3) number of transactions per billing cycle, and (4) number of transactions per day.
- Independent monthly reports listing cardholders' transactions are sent directly to the approving officials from CitiBank. Approving officials are responsible for monitoring and reviewing the activity of cardholders and certifying charges for payment. The IRS does not have an established limit on the number of cardholders per approving official. However, the current ratio of 3:1 is within reasonable limits.
- Merchant Category Codes (MCC)<sup>2</sup> are used to identify the types of businesses where a particular purchase card can be used. These codes are grouped into various templates, which are assigned to each cardholder's account based on the types of purchases the cardholder is likely to make. Limiting access to specific MCCs helps to reduce the potential for inappropriate use of a card.

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<sup>2</sup> An MCC is a standard code assigned to each merchant that accepts credit cards. It identifies, in a general way, the primary category of goods, services, or activity with which the merchant is involved.

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- The Credit Card Services Branch monitors the usage of the cards and recommends to the approving officials the deactivation of dormant accounts. Dormant accounts are accounts where there has been no activity in the past 18 to 24 months. The Credit Card Services Branch also receives Treasury Integrated Management Information System reports every pay period and compares the current employees to the list of cardholders to ensure that only current IRS employees have access to the purchase cards.

The Credit Card Services Branch has also established business organization coordinators to assist in monitoring the program. These coordinators are responsible for providing cardholders with training and procedures specific to their business organization and monitoring purchases of the cardholders' business organizations.

Our review of the purchase card program was conducted as a joint initiative between the Treasury Inspector General for Tax Administration's Office of Audit and Office of Investigations (OI). The Senate Finance Committee raised concerns regarding the adequacy of Federal Government agencies' controls to ensure honest use of Federal Government credit cards. The Senate Finance Committee specifically raised concerns regarding reports of the Federal Government paying for personal expenses of employees. Additionally, recent General Accounting Office reviews have called attention to control weaknesses in the Federal Government purchase card program. Further, in October 2002, the Office of Management and Budget issued a memorandum to all agency and department heads requesting quarterly reports addressing their purchase and travel card programs.

Audit work was limited to performing data queries on purchase card transactions based on several filters.<sup>3</sup>

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<sup>3</sup> A filter is a characteristic through which data are run. The filters used for the review were based on advice from CitiBank and discussions with other agencies. See Appendix V for a list of the filters used for our review.

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Additionally, we identified the controls the IRS has in place for the purchase card program. However, we did not perform any substantive testing of the controls besides probing CitiBank data for questionable transactions. This limited scope review was conducted from February through October 2002, in accordance with *Government Auditing Standards*.

Detailed information on the audit objective, scope, and methodology is presented in Appendix I. Major contributors to the report are listed in Appendix II.

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### **The Office of Investigations Is Following Up on a Small Percentage of Transactions**

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Using potential fraud/misuse indicators, we screened the approximately 219,000 purchase card transactions, totaling approximately \$83 million, made from February 2001 through February 2002.<sup>4</sup> We identified approximately 800 transactions, totaling approximately \$331,000, that we provided to the OI for further review. The OI performed additional analyses of these transactions. As of January 2003, the OI had determined in 78 cases<sup>5</sup> that the transactions did not represent civil or criminal fraud or misconduct. In three cases, the OI determined that the transactions warranted additional investigation. The OI is currently following up on the remaining transactions.

Additionally, during our screening of the purchase card data, we identified transactions we chose to analyze further. These included transactions in which it appeared purchases of items were made from the IRS' Restricted Purchase List and transactions that appeared to be split. Although our review identified a very small percentage of transactions requiring additional review, we believe the IRS should more closely monitor two issues – purchases from restricted sources and potential split purchases – to ensure that the purchase card program is operating according to procurement regulations and procedures.

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<sup>4</sup> The IRS also had approximately 21,500 credit transactions, totaling approximately \$61 million. This would include payments to the credit card company.

<sup>5</sup> A case may involve more than one transaction.



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### **Internal Revenue Service Employees Are Purchasing Items on the Restricted Purchase List**

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IRS employees bought items that are included on the IRS' Restricted Purchase List.<sup>6</sup> Additionally, approving officials are authorizing the acquisition of such items. By purchasing these items, the IRS is using an inappropriate source and/or acquisition method to obtain the needed goods and services.

Procurement Policy and Procedures Memorandum 70-11 outlines the Restricted Purchase List. The purchase of these goods and services should not be made due to various requirements, such as appropriations law, procurement regulations, and the Internal Revenue Manual. During our analysis of the CitiBank data, we identified 79 transactions, totaling over \$15,300, in which it appeared items were purchased from the Restricted Purchase List. Our follow-up on these transactions revealed that IRS employees purchased the following items included on the list:

- Airline, bus, train, or travel-related tickets for employee travel. IRS employees should use the travel card whenever possible for travel-related expenses.<sup>7</sup> The exception to this policy is for centrally managed tickets, such as metro-fare cards, which may be purchased if they are for official use by an office and not reimbursed via an employee travel voucher. The travel-related purchases we identified included airfare and hotel, totaling approximately \$886. We could not determine from the documentation received if these purchases were for official business. The OI is following up on these transactions.
- Calendars, executive (day) planners/refills/binders from the open market. The FAR requires supplies such as these to be ordered from a priority source.<sup>8</sup>

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<sup>6</sup> The Restricted Purchase List stipulates goods and services that IRS employees are prohibited from buying or that can be purchased only with the appropriate approvals.

<sup>7</sup> We issued a report regarding the IRS travel card program entitled, *The Travel Charge Card Program's Controls Could Be Enhanced* (Reference Number 2002-10-183, dated September 2002).

<sup>8</sup> Examples of a priority source are the IRS' next-day office supply contract, National Industries for the Blind/National Industries for the Severely Handicapped, or a contract listed on a GSA schedule.

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We identified 67 transactions, totaling approximately \$11,700, in which calendars and planners were not purchased through a priority source or documented as to why a priority source was not used.

- Pizza, ribs, and other food and beverages. Food and beverages may not be purchased using appropriated funds. The exception to this policy is light refreshments<sup>9</sup> not constituting meals, authorized for award ceremonies under the IRS' Employee Incentive Awards Program or an official IRS-sponsored conference that requires attendee travel. We identified 4 transactions, totaling approximately \$2,095, in which food was purchased for IRS employees. These included purchases of pizza totaling approximately \$1,158 and a transaction for ribs and french fries totaling approximately \$662.
- Personal fans, clocks, picture frames, and a mirror. Items that are classified as personal expenses or personal furnishings<sup>10</sup> may not be purchased with appropriated funds without specific statutory authority. The exception is for certain items which may be authorized if approved for reasonable accommodation.<sup>11</sup> These items cost approximately \$663.

Our review of the supporting documentation for these purchases identified that the approving official certified these purchases for payment. Where appropriate, these cases have been referred to the OI to ensure employees did not intentionally misuse the purchase card.

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<sup>9</sup> Light refreshments are considered coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, and muffins.

<sup>10</sup> Examples of personal items/furnishings are air purifiers, fans, heaters, luggage, pictures, plants, and apparel.

<sup>11</sup> Reasonable accommodation is any modification or adjustment to a job, an employment practice, or the work environment that makes it possible for an individual with a disability to enjoy an equal employment opportunity.

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Pending the results of any OI investigation, these purchases may be considered a technical violation of various regulations. However, the regulations were established to achieve fairness and economy in the Federal Government acquisition process. Therefore, the IRS should ensure items are not purchased from the Restricted Purchase List.

### **Recommendation**

1. The Office of Customer Support, Credit Card Services Branch, should periodically analyze the purchase card data to determine if items from the Restricted Purchase List are being purchased and refer any unauthorized purchases to the appropriate manager for additional actions and recovery of funds, where applicable.

Management's Response: The Credit Card Services Branch has taken many actions to control and reduce credit card misuse. These actions include issuing Inappropriate Use Guidelines to Credit Card Coordinators and Managers; conducting a Credit Card Coordinators conference; developing an MCC template to control the types of items purchased; and conducting a credit card program review to assess controls, identify misuse, and share best practices with Credit Card Coordinators and approving officials.

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### **Cardholders Appear to Be Splitting Purchases to Circumvent the Established Dollar Limits on the Purchase Card**

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IRS employees appear to be splitting their transactions to circumvent delegated procurement levels of \$2,500. The IRS needs to prevent split purchases from occurring to ensure the proper protection of its resources and adherence to Federal Government regulations. Additionally, split transactions could result in the overpayment for goods and services.

The FAR defines a micro-purchase as a purchase of supplies or services at or below \$2,500, except for construction. A micro-purchase for construction is limited to \$2,000. Because of the micro-purchase threshold, purchase card accounts have a limit of \$2,500 for any 1 transaction. A single transaction may be comprised of multiple items, but the total cannot exceed the cardholder's single transaction limit. An order cannot be split into smaller, multiple orders to avoid the transaction limit on the cardholder's account.

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A split purchase is one that results when a cardholder intentionally divides, or appears to divide, what should be a single purchase into two or more separate purchases to avoid exceeding his or her single transaction limit. Cardholders are prohibited from splitting purchases in order to use the purchase card.

Our query of the CitiBank data revealed numerous purchases throughout the IRS' business units that appear to be split. Specifically, we identified 463 instances (involving 1,869 purchases) totaling approximately \$2.4 million that appeared to be split transactions. We selected a judgmental sample of 93 instances (involving 333 transactions) totaling approximately \$480,000 to further analyze.

Our analysis of invoices and discussions with cardholders showed that 24 of the 93 instances (involving 67 of the 333 transactions), totaling approximately \$121,000, were clearly split purchases. Cardholders indicated that in some cases, purchases were split because of emergencies. For example, after the anthrax scare, lab coats were needed to protect mailroom employees. In other instances, cardholders indicated they asked the vendors to split the purchase so as not to exceed the \$2,500 limit, or the vendor suggested splitting the purchase to avoid the \$2,500 limit.

For the remaining 69 instances included in our sample, the cardholders indicated that the purchases were for different requirements. We could not conclusively determine from the supporting documentation whether the differences in requirements were sufficiently discernable to clearly avoid the appearance of being split purchases. However, we recognize that judgment is exercised by both cardholders and approving officials when transacting business using purchase cards and that some discretion is necessary to effectively and efficiently conduct business while adhering to procurement regulations and procedures. Nonetheless, the very nature of these types of transactions suggests that caution be exercised and that additional monitoring be used to identify potential split purchases.

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### **Recommendation**

2. The Office of Customer Support, Credit Card Services Branch, should reiterate the policies and procedures regarding split purchases to cardholders and their managers. Additionally, the Office of Customer Support, Credit Card Services Branch, should periodically analyze transactions to identify possible split purchases and refer any instances to the appropriate manager for additional actions when necessary.

Management's Response: The Credit Card Services Branch shares guidance on split procurements with Credit Card Coordinators, approving officials, and cardholders. The on-going credit card program review will focus, in part, on split procurements and how to identify them. The Credit Card Services Branch, working with the Office of Procurement, issues updates on split procurement issues/definitions and continually provides guidance on how to monitor these critical areas. Split procurements will be discussed in several workshops during the April 2003 Credit Card Coordinators conference. Program effectiveness is assessed via program and independent ad hoc reviews.

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### **Appendix I**

#### **Detailed Objective, Scope, and Methodology**

The overall objective of this review was to screen Internal Revenue Service (IRS) purchase card transactions using potential fraud/misuse indicators to identify questionable purchases. We coordinated our activities with actions taken by the Treasury Inspector General for Tax Administration's Office of Investigations (OI). To accomplish our objective, we:

- I. Queried CitiDirect On-Line Financial (CitiDirect) and the CitiBank Financial Data Services (ADHOC) databases<sup>1</sup> to determine if questionable transactions had taken place.
  - A. Identified questionable purchases based on where the purchase occurred using high-risk merchant category codes (e.g., fast food restaurants, furniture stores, etc.).
  - B. Determined if split purchase transactions had taken place (i.e., similar dollar amounts on the same day, at the same vendor). Selected a judgmental sample of 93 of 463 instances identified as possible split purchases. A judgmental sample was used because we did not plan on projecting the results to the universe.
  - C. Determined if non-workday transactions had taken place (i.e., transactions initiated on weekends and holidays).
  - D. Identified employees with questionable purchases through the initial queries and analyzed all the employees' transactions available through the Citibank databases.
- II. Conducted further analysis on questionable activities identified through the queries to identify potential inappropriate use of the purchase card.
  - A. Determined if the card dollar limitation had been exceeded.
  - B. Obtained source documentation for questionable transactions, including copies of actual receipts.

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<sup>1</sup> CitiDirect and ADHOC are CitiBank's automated account information systems. CitiDirect provides standard reports of purchase card activity. ADHOC allows the user to query on certain information to create special reports.

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- C. Determined if prohibited items had been purchased from the IRS' Restricted Purchase List.
  - D. Referred information to the OI for further investigation and dissemination of an investigative lead to the OI's Field Divisions.
- III. For questionable transactions, identified systemic deficiencies and control breakdowns within the purchase card program that enabled misuse of the card.
  - A. Reviewed IRS policies and procedures to determine internal controls over the purchase card program.
  - B. Interviewed IRS employees to determine internal controls and the cause of misuse of the purchase card.

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**Appendix II**

**Major Contributors to This Report**

Daniel R. Devlin, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs)

John R. Wright, Director

Debra Gregory, Audit Manager

Richard Loudon, Auditor

Niurka Thomas, Auditor



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**Appendix III**

**Report Distribution List**

Acting Commissioner N:C  
Director, Office of Customer Support A:CS  
Director, Procurement A:P  
Chief Counsel CC  
National Taxpayer Advocate TA  
Director, Office of Program Evaluation and Risk Analysis N:ADC:R:O  
Director, Legislative Affairs CL:LA  
Office of Management Controls N:CFO:AR:M  
Audit Liaisons:  
    Agency-Wide Shared Services A  
    Procurement A:P

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### **Appendix IV**

#### **Outcome Measures**

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on tax administration. These benefits will be incorporated into our Semiannual Report to the Congress.

##### Type and Value of Outcome Measure:

- Protection of Resources – Potential; over \$15,300 (see page 5).
- Protection of Resources – Potential; approximately \$2.4 million (see page 7).

##### Methodology Used to Measure the Reported Benefit:

To determine the protection of resources, we analyzed CitiBank purchase card data to determine potential transactions purchasing items from the Internal Revenue Service's (IRS) Restricted Purchase List. We requested supporting documentation from IRS personnel to determine what items were actually purchased. After reviewing the supporting documentation, we found 79 transactions, totaling over \$15,300, which appeared to be purchased from the IRS' Restricted Purchase List.

To determine the protection of resources, we analyzed CitiBank purchase card data for multiple transactions on the same day to the same vendor, totaling over \$2,500. We identified 463 instances (involving 1,869 purchases) totaling approximately \$2.4 million that appeared to be split transactions. All of these transactions occurred on the same day to the same vendor.

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**Appendix V**

**List of Filters<sup>1</sup>**

We ran the following filters against the purchase card program:

- Construction transactions over \$2,000.
- Even-amount purchases.
- High-risk merchant category codes.
- Holiday transactions.
- Multiple purchases made at same store.
- No merchant state listed.
- Purchases in same day, same place, right under \$2,500 threshold.
- Purchases over \$2,500.
- Weekend transactions.

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<sup>1</sup> A filter is a characteristic through which data are run. The filters used for the review were based on advice from CitiBank and discussion with other agencies.

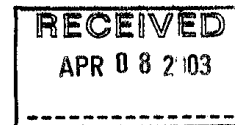
**The Internal Revenue Service Should Closely Monitor the Small Purchase Card Program to Ensure Compliance With Established Rules and Regulations**

**Appendix VI**

**Management's Response to the Draft Report**



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224



April 8, 2003

MEMORANDUM FOR GORDON C. MILBOURNE III  
ACTING DEPUTY INSPECTOR GENERAL FOR AUDIT

FROM: GREGORY D. ROTHWELL *Gregory D. Rothwell*  
DEPUTY CHIEF, AGENCY-WIDE SHARED SERVICES

SUBJECT: Draft Audit Report #200210019, "The Internal Revenue Service Should Closely Monitor the Small Purchase Card Program to Ensure Compliance with Established Rules and Regulations" issued March 19, 2003

I have reviewed the subject audit and agree with your recommendations. As noted in the attachment, we have completed them.

AWSS provides on-going guidance to Credit Card Coordinators, approving officials, and cardholders. We continually identify ways to address inappropriate card usage, ensure compliance with program regulations, and communicate information to those involved in the credit card program.

As noted in the report, AWSS assumed responsibility for the Credit Card Program in January 2001 and the report details the many steps taken to improve purchase card controls since that time. The purchases you reviewed during your audit occurred before we implemented many of the enhanced controls now in place. We are confident that our efforts have enhanced the program and improved the level of control over credit card use.

If you have any questions, please call me at (202) 622-7500 or Janis Landis, Director Customer Support, at (212) 298-2352. For questions on audit follow-up and liaison, please call Greg Rehak at (202) 622-3702.

Attachment

## **The Internal Revenue Service Should Closely Monitor the Small Purchase Card Program to Ensure Compliance With Established Rules and Regulations**

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### **ATTACHMENT**

**RECOMMENDATION 1:** Office of Customer Support, Credit Card Services Branch, should periodically analyze the purchase card data to determine if items from the Restricted Buy List are being purchased. If found that the purchases are unauthorized, additional actions and recovery of funds should occur, where appropriate.

**COMPLETED:** January 9, 2003

**RATIONAL FOR CLOSING:** Credit Card Services has taken many actions to control and reduce credit card misuse. These actions include:

- Issuing Inappropriate Use Guidelines to Credit Card Coordinators and Managers on August 20, 2002. These guidelines were updated on January 9, 2003. We are also preparing a second revision to the document. Included in these guidelines are procedures on securing repayment of funds for unauthorized purchases.
- Conducting a Credit Card Coordinators conference, which includes training on reviewing reports to identify possible inappropriate use of a credit card. The Conference will address split procurements and the Restricted Purchases List, OMB/Treasury and TIGTA issues, Labor Relations guidance when addressing misuse, Office Supply COTR concerns for additional supply purchase controls, and an array of specific legal issues.
- Training approving officials and Credit Card Coordinators on accessing the CitiDirect system and encouraging the to review purchases as they post, rather than waiting until the end of the billing cycle.
- Completing a Merchant Category Code (MCC) project, to review and categorize all purchase cardholder accounts by type of purchase made. Templates were created for supplies, services, and unique types of purchases, e.g., training, food, hotels for training. All purchase cardholders were placed under the new templates, limiting their ability to purchase items not covered by their template.
- Conducting a credit card program review to assess controls, identify misuse and share best practices with Credit Card Coordinators and approving officials.

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**RECOMMENDATION 2:** The Office of Customer Support, Credit Card Services Branch, should reiterate the policies and procedures regarding split purchases. Additionally, the Office of Customer Support, Credit Card Services should monitor transactions to identify possible split transactions, and take the appropriate actions against the cardholders and approving officials as necessary when split purchases are found.

**COMPLETED:** January 9, 2003

**RATIONAL FOR CLOSING:** Credit Card Services shares guidance on split procurements with Credit Card Coordinators, approving officials, and cardholders. The on-going credit card program review will focus, in part, on split procurements and how to identify them. We share findings and best practices with Credit Card Coordinators and approving officials. Credit Card Services, working with the Office of Procurement, issues updates on split procurement issues/definitions and continually provides guidance on how to monitor these critical areas. Split procurements will be discussed in several workshops during the April 2003 Credit Card Coordinators conference. Program effectiveness is assessed via program and independent ad hoc reviews.